463 to be more lucrative than another. The
[287] specialists plying each trade compete
[477] with one another, and the hereditary lines in each occupation are sufficiently numerous and dispersed so that no individual or small group can easily obtain a monopoly or control over the market.

436 Feather currency has absolutely no other use than as a medium of exchange, a standard of value and a store of wealth. It is not worn or displayed. In other words, it has no inherent usefulness; it is a true money. Yet it is produced and circulated in a free market, controlled only by supply and demand and by the principle of devaluation over
● [458] time. Inflation is avoided, in spite of the constant issuance of new money, by the depreciation and withdrawal from circulation of old money.

435 The size and richness of color of a
436 new piece of currency determine its original value. These two criteria are reducible to the number of birds and the amount of labor that go into its manufacture. In addition to the down of 300 birds, the average piece embodies 500 or 600 man-hours of work by the three specialists. But the width and sometimes the length of a belt can vary. And the red hue can be more or less saturated depending on how much down was used or the extent to which the less admired orange feathers were discarded.

Depreciation comes with time from damage by vermin and molds as well as from the wear and tear of handling. Great care is taken to protect the currency. The double coils are wrapped tightly, first in a dried fan-palm leaf and then in many layers of bark cloth. Looking more like a bundle of rags than something of value, the coils are stored on a shelf under which the household fire is kept smoldering. The heat inhibits molds, the smoke keeps insects and other vermin away and the wrappings protect the money from smoke damage. In spite of these precautions, each piece of currency eventually deteriorates. When the last bit of color disappears, the belt is discarded.

The value of most currencies is referred ultimately to some standard; in the Santa Cruz Islands the standard is the unseemly combination of pigs and
[583] marriage payments. The minimum payment made to the bride's family by the groom's kin at marriage—the bride price—always consists of 10 units of currency graduated in value from a new or nearly perfect No. 1 ("bottom") piece to a No. 10 ("top") piece, which is just above the threshold of no value. The

2:Davenport E-5 (1958-1960)1962
C813 Santa Cruz C813

438 could purvey her services as a prostitute, sell her outright or even kill her
[595] without fear of retaliation. None of these
[548] things could be done with wives. But since the purchase price of a concubine was 10 times higher than a bride price, selling a girl into concubinage had its attractions for many Reef Island families. The British Government has forbidden the practice, but Reef Island
[177] women still go south as wives. Their
[583] bride prices are the main source of cur-
[554] rency for their home islands. An imported wife brings extra prestige to a Santa Cruz man, and bride prices for Reef women run about twice as high as they do for domestic wives.

The Duff Islanders get their feather currency not by selling women but by building large sailing canoes that carry on interisland traffic in passengers and cargo. The men of the Duffs do not en-
[437] gage in that traffic themselves; they sell the canoes for feather currency to the
[505] people of a few of the western Reef Islands, who in turn specialize in voyaging and trading throughout the islands. These mariners sail even to the southern islands of Utupua and Vanikoro in search of trade. The two islands are outside the feather-currency area, but their people until recently depended on the
[436] canoes to bring them the shell disks and lengths of woven cloth they used as
[437] currency. For these precious items they traded, at fixed rates, packets of red honey eater feathers, and these were resold on Santa Cruz to the makers of feather currency. In this manner the two different money systems became interlocked and interdependent, and the economies of north and south remain so today, even though there is no longer any traffic in currency materials.

177 Since the end of World War II the
436 Santa Cruz monetary system has come under pressure from the world outside. More and more Australian money has flowed into the islands; it circulates along with the feather currency and is completely interchangeable with it. Today the rate of exchange is roughly one shilling for a piece of feather money of minimum value. This makes the par value of a No. 1 piece 512 shillings, or about 25 Australian pounds. Figured in
[464] terms of labor (at the prevailing net wage rate for unskilled labor in the central Solomons, where most Santa Cruz men work at some point in their lives), the value of a new piece of currency is roughly comparable: about 20 to 24 pounds.

● 458 Plantation wages have nearly trebled
177 since 1945. The great increase in the

3:Davenport 2-5 (1960-1960)1962
CN13 Santa Cruz CN13

458 177 [435] quantity of Australian money within the Santa Cruz group has caused a precipitate fall in its value in terms of local goods. Once a shilling bought 10 pounds of native tobacco; now it buys half a pound. During the same period, in an [438] effort to increase copra production by channeling more islanders into plantation [648] work, the colonial administration has taken steps that tend to depress interisland and intervillage trade in domestic products. Less feather currency [287] is needed and less is being produced. At the moment there are only five men on Santa Cruz who bind currency, whereas a decade ago there were more [583] than a dozen. Yet marriages go on as before, and men still refuse to marry off their daughters without receiving the traditional red-feather payment. Indeed, there is no area of the islands' economy in which confidence in the feather currency has been shaken. The [465] craft and agricultural specialists still demand red-feather money for their best products.

With the value of feather currency rising as it becomes scarcer and that of Australian money dropping as it becomes more abundant, the market [436] price of feather currency in Australian pounds has increased nearly 20 times in the past 15 years. Although it is recognized that 25 Australian pounds is the appropriate par value for a new piece of feather money, it takes considerably more than that to induce the currency specialists to turn one out. This is, to [223] be sure, not true in the case of the bird [825] snarers. As a result of the decreased production of feather money, the *Myzomela cardinalis* population has been increasing; the snarers can take birds more easily and in more accessible places and they would be willing to work for the old rates. But the labor involved in mak- [287] ing platelets and binding new currency has not diminished. Like skilled artisans anywhere, the specialists in these processes prefer to charge more and work less. In pricing their labor they are mindful not only of today's high market but also of the fact that the value of their product in Australian money is likely to be even greater as time passes. As a result the production of feather currency has now fallen behind even the currently reduced demand. As the "bad" Australian money drives out the "good" red-feather currency in accordance with Gresham's law, a simple society in the South Seas is experiencing a monetary crisis familiar to many more sophisticated economies.

with diseases. After several great epidemics, the population set into a decline which has only now been arrested. The British Solomon Island Protectorate brought them under direct governmental control in the mid-1920's, and more and more men began going out to work under regulated recruiting conditions. These recruits, of course, returned with trade goods. All of these factors influenced the economic system greatly, but trading and the use of feather currency went on as before. There is certain evidence that the cessation of feuding and the importation of steel tools and other articles of civilized manufacture actually stimulated the internal economy rather than depressed it. Small amounts of Australian currency did get into circulation as early as 1930, but not in sufficient quantity to alter the internal monetary system. By the end of the Pacific War, however, the situation had dramatically changed. Recruiting shot up, laborer's wages increased greatly, imported trade goods, though never really plentiful—not even today—became well distributed, and appreciable amounts of Australian money came to be used alongside of and interchangeably with feather currency. As regards currency, the acculturation dilemma had started. The two currencies were in circulation side by side, and it seems as if it would be a matter of simple choice of one over the other. Now let us look at the results of this choice situation after more than a decade of real competition between the two currencies.

The production of feather currency has dropped far below what it normally would be, but the demand for it has remained constant. As a consequence, the value has risen sharply and continues to rise. By comparisons of its purchasing power in pigs and in bride prices, the value has risen 200 to 300 per cent in the past fifteen years. This deflation applies equally to Santa Cruz Island where it is made and to the outer islands toward which it flows and where it has always been scarcer. Conversely, Australian money has increased as more and more men have gone out to work and brought back some of their net incomes in cash. From comparisons of savings of wealthy men, it is estimated that the amount of Australian currency in circulation has risen at least 400 per cent in the past fifteen years. Its buying power with respect to imported trade goods has remained roughly the same, for these prices have risen along with wages. The demand for Australian money has certainly increased as people have come to depend more and more upon imported goods which can only be purchased with it, but its buying power with respect to local products—pigs, for instance—has greatly diminished as it has become more plentiful.

As always, these two currencies are, in theory and in fact, perfectly convertible, even though there are some difficulties in fixing values due to the nonquantified means of valuation in feather currency. But with feather currency becoming scarcer and Australian money becoming more plentiful, the exchange rates have been altering drastically. As an illustration, a piece of feather currency which could have been purchased easily for one pound in 1945 might now command as much as twenty. Even at this price, an owner might be reluctant to part with his feather currency, for he may not wish to convert from a currency which is increasing in value to one which in terms of the internal economy is doing the opposite. Because of this unwillingness, it has become harder to fix a value in Australian money for feather currencies of very high value (i.e., those that are very scarce), while those pieces of very low value are easily converted or exchanged.

The slowdown in the production of feather currency is traceable directly to the actions of one of the three specialists, the binders. There are but five of these men currently working on Santa Cruz Island. Since their own needs for feather currency can be easily satisfied by their own work, they wish to ply their trades principally for Australian money. Like skilled workers anywhere, they prefer to work less for large margins of profit than more for small margins. There are young men in the line of inheritance, but

they, for the time being at least, prefer to go out to work for wages rather than to stay home as the older men do. As a result of this, it takes nearly forty pounds to pay for all the materials and services required for a single piece of new feather currency. This is roughly equivalent to over one year's net earnings in the labor lines of a plantation. In effect, feather currency is being priced off the currency market. In contrast to the binders, the bird catchers are eager to work for old rates, for the lack of production of currency has seen a marked rise in the bird population. Birds are abundant in areas close at hand, and they are easy to catch. To the catchers, this means they do not have to work as hard or long to snare the required number for an order as they formerly did.

Despite this financial crisis, feather currency continues to be an absolute necessity in normal social relations. Most men are unwilling to marry off their daughters without receiving bride prices paid in the conventional manner. Pig breeders, too, demand payment in feather currency for fine animals that are to be used in maturation ceremonies, and the same feelings are held by the many turtle fishermen and the shark fishermen who furnish the special meat for ceremonial occasions. Nowhere has the confidence in feather currency been undermined. In fact, just the opposite realization—that it is becoming increasingly valuable—is what is at the bottom of the shortage. Since the currency is perishable, it cannot be hoarded indefinitely and retained as a kind of special purpose heirloom, to be exchanged only on ceremonial occasions. If present trends continue, then it must eventually disappear, and its functions will be assumed by the use of Australian money.

If one were to look casually at this situation, without knowledge of the internal dynamics, this would appear to be a simple instance of diffusion. A case in which a new element—Australian money—is replacing an old element on a one-for-one basis. It might seem like a simple choice situation, exactly like many others created by acculturation—a case where the native is choosing one object in preference for another according to some utilitarian scheme of values. One could even argue that the replacement is a rational economic choice based on the knowledge that one is convertible to the other, and one has the more general usage; therefore the more general one will be chosen. The apparent choice makes economic sense, too, for Australian money is not perishable, it cannot depreciate with age, and it is easier to carry, to use, and to exchange. All of these utilities are indeed recognized, but they have not shaken the traditional confidence in the indigenous currency.

This apparently simple case of change is analagous to kinds of monetary crises our own society has experienced when, during the bimetallic era, the relative values of gold and silver got out of hand; when various paper moneys were issued on hard currencies; and when international exchange rates between currencies fluctuated. In these situations, people always hang on to the more valuable currency, creating a scarcity, and taking it off the market. It seems, then, that Gresham's Law and the Doctrine of Bimetallic Flows are as applicable to this primitive monetary system as they are to civilized systems.

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NOTES

1. Bohannon, Paul, "The Impact of Money on an African Subsistence Economy," Journal of Economic History, XIX, 491-503. 1959.

2. Field work in the Santa Cruz Group was carried out during 1958-60 as part of the Tri-Institutional Pacific Program (Bishop Museum, University of Hawaii, Yale University), supported by a grant from the Carnegie Corporation of New York.